



**Rule(s) Review Checklist Addendum**  
**(This form must be filled out electronically.)**

**This form is to be used only if the rule(s) was/were previously reviewed, and has/have not been amended/repealed subsequent to that review.**

All responses should be in **bold** format.

Document Reviewed (include title): **WAC 458-20-144 Printing industry.**

Date last reviewed: **9/22/97**

Current Reviewer: **Gilbert Brewer**

Date current review completed: **10/30/01**

Is this document being reviewed at this time because of a taxpayer or association request? (If "YES", provide the name of the taxpayer/association and a brief explanation of the issues raised in the request). **YES** ☐ **NO** ☒

Type an "x" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

**1. Briefly describe the subject matter of the rule(s):**

**The rule explains how B&O, sales, and use taxes apply to persons engaged in printing activities. It also explains how these taxes are affected by the general industry trade practice of making allowances to advertising agencies of a certain percentage of the gross charge made for printed matter ordered by the agency.**

**2. Related statutes, interpretive statements, court decisions, BTA decisions, and WTDs:** (Excise Tax Advisories (ETAs), Property Tax Advisories (PTAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered interpretive statements.)

YES	NO	
	<b>X</b>	Are there any statutory changes subsequent to the previous review of this rule that should be incorporated?
<b>X</b>		Are there any interpretive statements not identified in the previous review of this rule that should be incorporated? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
<b>X</b>		Are there any interpretive statements that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	<b>X</b>	Are there any Board of Tax Appeal (BTA) decisions, court decisions, or



		Attorney Generals Opinions (AGOs) subsequent to the previous review of this rule that provide information that should be incorporated into this rule?
X		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) subsequent to the previous review of this rule that provide information that should be incorporated into the rule?
	X	Are there any changes to the recommendations in the previous review of this rule with respect to any of the types of documents noted above? (An Ancillary Document Review Supplement should be completed if any changes are recommended with respect to an interpretive statement.)

If the answer is “yes” to any of the questions above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

**Audit Directive 8144.1 (Printing Plates -- ETB's 417 and 456) provides specific guidance on the taxation of intermediate steps in the printing process. This information should be retained until the specific issues can be addressed in a revised Rule 144. Audit Directives 8143.1 (Intermediate Steps in a Printing Process – Publishers) and 8144.2 (Silk Screen Printing Process) are no longer needed and can be repealed.**

**Det. 99-225R, WTD 19-289, and Det. 99-306, WTD 19-502, provide guidance on the application of the manufacturing M&E exemption to printing plates. This subject should also be addressed in the rule.**

**3. Additional information:** Identify any additional issues (other than that noted above or in the previous review) that should be addressed or incorporated into the rule. Note here if you believe the rule can be rewritten and reorganized in a more clear and concise manner.

**The redrafted rule should clarify the treatment of printers who function as processors for hire.**

**4. LISTING OF DOCUMENTS REVIEWED:** The reviewer need identify only those documents that were not listed in the previous review of the rule(s). (Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive statements, and similar documents should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).)

Statute(s) Implemented:

Interpretive statements (e.g., ETAs and PTAs):

- **AD 8143.1 Intermediate Steps in a Printing Process -- Publishers**
- **AD 8144.1 Printing Plates -- ETB's 417 and 456**
- **AD 8144.2 Silk Screen Printing Process**



Court Decisions:

Board of Tax Appeals Decisions (BTAs):

Administrative Decisions (e.g., WTDs): **Det. 99-225R, WTD 19-289, and Det. 99-306, WTD 19-502, analyze eligibility of printing plates for manufacturing M&E exemption**

Attorney General's Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

#### 4. Review Recommendation:

<u>  X  </u>	Amend
_____	<b>Repeal</b> (Appropriate when repeal is not conditioned upon another rule-making action.)
_____	<b>Leave as is</b> (Appropriate even if the recommendation is to incorporate the current information into another rule.)
_____	<b>Begin the rule-making process for possible revision.</b> (Applies only when the Department has received a petition to revise a rule.)

**Explanation of recommendation:** Provide a brief summary of your recommendation, whether the same as or different from the original review of the document(s). If this recommendation differs from that of the previous review, explain the basis for this difference.

If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, court decisions).

**I agree with the previous recommendation that the rule be revised. The rule should be amended to:**



- (1) Incorporate material from Rule 139 (trade shops) and part of Rule 141 (duplicators) to consolidate all printing-related provisions within a single rule;**
- (2) Clarify the taxability of products used in intermediate steps of the printing process; and**
- (3) Incorporate more recent material that will update the information on the tax treatment of printing and related activities.**

**These amendments should also recognize that the printing industry is becoming less segmented due to the increasing use of computers and similar printing technologies. These changes will ensure compliance with the statutory framework and make the rule easier to use by industry representatives and DOR staff.**

**5. Manager action:**    Date: \_\_\_\_\_

\_\_\_\_\_ Reviewed and accepted recommendation

Amendment priority:

- \_\_\_\_\_ 1
- \_\_\_\_\_ 2
- \_\_\_\_\_ 3
- \_\_\_\_\_ 4